

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6252**

**BILL NUMBER:** HB 1027

**NOTE PREPARED:** Mar 11, 2014

**BILL AMENDED:** Feb 20, 2014

**SUBJECT:** Property Tax Exemptions.

**FIRST AUTHOR:** Rep. DeVon

**FIRST SPONSOR:** Sen. Zakas

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *Baseball /Softball Association Exemption:* This bill provides that a nonprofit youth baseball and softball association may submit an exemption application before July 1, 2014, for property tax exemptions for an eligible property with respect to one or more of the 2008, 2009, and 2010 assessment dates. It provides that the association is entitled to a property tax exemption if the county assessor finds that the parcel would have qualified for an exemption if an exemption application had been filed in a timely manner.

*Marion County Exemptions:* The bill provides that certain eligible taxpayers in Marion County may submit exemption applications before September 1, 2014, for property tax exemptions for eligible properties with respect to the 2011 assessment date, the 2012 assessment date, or both the 2011 and 2012 assessment dates.

*Youth Baseball Association Exemption:* This bill also provides that a youth baseball association may before July 1, 2014, submit exemption applications for an eligible property with respect to certain assessment dates. It provides that the association is entitled to a property tax exemption if the county assessor finds that the property would have qualified for an exemption if an exemption application had been filed in a timely manner.

For all provisions, the bill provides that eligible taxpayers are entitled to a refund for any back taxes, penalties, and interest paid with respect to an eligible property. It allows a county auditor to determine that a refund must be paid in two annual installments.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Baseball /Softball Association Exemption:* Under this provision, owners of certain real property would receive an exemption from property tax for taxes payable in 2009, 2010, and 2011 if:

- (1) The property is owned by a youth baseball and softball association that is exempt from federal income taxes;
- (2) The property is used for an exempt purpose;
- (3) The property consists of not more than 20 acres;
- (4) The property was exempt for at least one assessment date before the March 1, 2008, assessment date; and
- (5) The owner files an exemption application before July 1, 2014.

The 2009, 2010, and 2011 tax bills along with all penalties and interest would be cancelled.

One taxpayer, in St. Joseph County, has been identified as qualifying for an exemption under this provision. The taxes billed for 2009, 2010, and 2011 total \$28,161. Penalties and interest currently amount to \$14,178, for a current total taxes, penalties, and interest of \$42,339.

The local taxing units and school corporation located in the affected taxing district would forego receipt of their share of the amount due.

*Marion County Exemptions:* The local taxing units and school corporation located in the affected taxing district would forego receipt of their share of the taxes due in 2012 and 2013 from the eligible taxpayers. The taxes billed in 2012 and 2013 to the two identified taxpayers totaled \$12,179.30. In addition, there would be a refund of the tax redemption amount paid in 2012 by one of the taxpayers. This refund of \$9,161 would also reduce current year property tax distributions for the affected taxing units.

Under this provision, owners of real property located in Marion County would receive an exemption from property tax for taxes payable in 2012 and 2013 if:

- (1) The owner is a ministry or other religious organization that is exempt from federal income taxes;
- (2) The owner owns a vacant parcel of real property, not exceeding two acres, that is used for educational, literary, scientific, religious, or charitable purposes; and
- (3) The owner acquired the eligible property after the 2012 assessment date (March 1, 2012) but before May 1, 2012.

Property owners in Marion County would also receive an exemption for taxes payable in 2012 and 2013 if:

- (1) The owner is a ministry or other religious organization that is exempt from federal income taxes;
- (2) The property is used for educational, literary, scientific, religious, or charitable purposes; and
- (3) The property was redeemed after it was sold for delinquent taxes in 2012;

The eligible property owners would be permitted to file an exemption application before September 1, 2014, with the Marion County Assessor. If the assessor finds that the owners would have qualified for the exemption if it had been timely filed, the exemption would be granted without further action by any other

entity.

Under this provision, the tax bills for 2012 and 2013 would be cancelled. The owners would also be entitled to a refund for any taxes, penalties, and interest that might have been paid with respect to the eligible property, or for any amount paid to redeem the eligible property.

Two taxpayers have been identified as qualifying for exemptions under this provision. One taxpayer had tax bills of \$2,888.38 in 2012 and \$788.10 in 2013 for a two-year total of \$3,676.48.

The second taxpayer had tax bills of \$4,283.30 in 2012 and \$4,219.52 in 2013 for a two-year total of \$8,502.82. The amount paid to redeem the property in 2012 was \$9,161.

*Youth Baseball Association Exemption:* Under this provision, owners of certain real property would receive an exemption from property tax for taxes payable in 2012 and 2013 if:

- (1) The property is owned by a youth baseball association that is exempt from federal income taxes;
- (2) The property would have qualified for an exemption if the exemption application had been timely filed; and
- (3) The owner files an exemption application before July 1, 2014.

The 2012 and 2013 tax bills along with all penalties and interest would be cancelled.

One taxpayer, in Marion County, has been identified as qualifying for an exemption under this provision, although there could be additional unknown qualifying property owners. For the known taxpayer, the taxes billed for 2012 and 2013 total \$2,927.38. Through 2013, penalties and interest amounted to \$142, for a current total taxes, penalties, and interest of \$3,070.

The local taxing units and school corporation located in the affected taxing district would forego receipt of their share of the amount due.

The eligible property owners would be permitted to file an exemption application with the county assessor. If the assessor finds that the owner would have qualified for the exemption if it had been timely filed, the exemption would be granted without further action by any other entity.

**State Agencies Affected:**

**Local Agencies Affected:** St. Joseph County; Clay Township; Penn-Harris-Madison-School Corporation; Mishawaka Public Library; St. Joseph Airport; and St. Joseph Solid Waste Management District; Marion County assessor; Affected local civil taxing units and school corporations in Marion County.

**Information Sources:** LSA Property Tax Database

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.